

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

#280.3449
C 39
wp. 2

U. S. DEPT. OF AGRICULTURE
MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
JANUARY 1969

MAY 2 - 1969

Volume 13

Number 6

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JANUARY 1969

The Chattanooga Order MINIMUM uniform producer price is \$6.16 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 43 cents above January 1968 Order producer price.

In January 1969, 78.7% of the producer milk received by pool plants was priced in Class I at \$6.72 per cwt. and 21.3% was priced in Class II at \$4.27 per cwt. The January butterfat differential for Class I was 8.0 cents and Class II was 7.6 cents.

Total producer milk received during January 1969 was 22,758,046 pounds which is an increase of 4,525,285 pounds or 24.8% compared with January 1968. The January daily average deliveries per farm from 619 producers was 1,186 pounds. This compares to 546 farms delivering a daily average of 1,077 pounds per day during January 1968.

PRODUCER MILK BASES - 1969

Federal Order milk bases for producers will be announced by February 28, 1969. Milk Bases were established during September 1968 thru January 1969. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1969. If you do not receive your Milk Base Notice soon after March 1, 1969, please notify the Market Administrator, P.O. Box 8085, Chattanooga, Tenn. 37411.

DAIRY FARMERS TO VOTE ON NEW GEORGIA MILK ORDER

A final decision was issued January 16, 1969 containing the proposed Georgia Federal Milk Order. The decision is based on a public hearing held in Atlanta June 1968 and also reflects exceptions submitted to USDA after issuance of its recommended decision of November 19, 1968.

The U. S. Department of Agriculture will hold a mail referendum to determine if dairy farmers approve a proposed new Federal Milk Marketing Order to regulate milk handling in Georgia. A separate referendum of individual dairy farmers will be held concurrently on a base-excess plan for paying dairy farmers under the Georgia Order. Two-thirds of the dairy farmers voting must approve the proposed order for it to become effective.

The Order, if issued, would set minimum prices to dairy farmers for milk supplied to handlers doing business in the marketing area. The handlers would pay for milk according to how they use it (Class I or Class II). The farmers would get a uniform price for their milk through a marketwide pooling system.

The Georgia Order would include the same kind of provisions for pricing milk from other sources as in other Federal Milk Orders, and would have the usual provisions for administering a Federal Milk Order. Copies of the Final Decision containing the tentative order may be obtained from the Dairy Division, Consumer and Marketing Service, U. S. Department of Agriculture, Washington, D. C. 20250.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Jan. '69 over Jan. '68	Jan. 1969 18	Dec. 1968 18	Jan. 1968 9
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 24.8	734,131	719,813	588,154
Other Source	+ 98.4	47,729	66,121	24,061
Other Federal Orders	+ 130.8	270,870	217,785	117,350
TOTAL MILK RECEIPTS	+ 44.3	1,052,730	1,003,719	729,565
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 3.3	395,996	375,167	383,234
Skim - Regular	+ 11.5	21,178	19,475	18,992
Skim - 2% Milk	+ 91.0	71,913	66,545	37,658
Buttermilk	+ 13.2	47,983	44,138	42,402
Flavored Milk and Drink	+ 8.3	13,358	13,368	12,332
Creams (Sweet and Sour)	+ 9.2	3,026	3,735	2,770
Sub-Total - Pkg. Products (Pool Plants)	+ 11.3	553,454	522,428	497,388
Other (Shrinkage, Inventory, etc.)		5,682	3,472	2,224
Sales to Non-Pool Plants		194,950	131,710	61,708
In-Area Sales by Non-Pool Plants		57,595	53,945	1,670
TOTAL CLASS I MILK	+ 44.2	811,681	711,555	562,990
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 16.0	37,383	28,245	32,233
Cottage Cheese	+ 12.8	34,625	26,428	30,684
Powdered and Condensed Milk		18,084	36,755	45,341
Livestock Feed and Milk Dumped		6,015	7,167	6,569
Sub-Total - Used to Produce	- 16.3	96,107	98,595	114,827
Shrinkage Class II		13,364	13,067	9,743
Other (Inventory Variation, etc.)		(10,914)	17,889	7,023
Bulk Sales to Non-Pool Plants		142,492	162,613	34,982
TOTAL CLASS II MILK	+ 44.7	241,049	292,164	166,575
Class I Pkg. Lbs. in Area - Pool Plants	+ 56.8	462,608	436,355	295,086
Class I Pkg. Lbs. Out of Area - Pool Plants	- 55.1	90,846	86,073	202,302
Class I Pkg. Lbs. in Area - Non-Pool Plants		57,595	53,945	1,670
% Producer Milk of Gross Class I		90.4	101.2	104.5
% Producer Milk Priced in Class I		78.7	73.1	81.1

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per § 1090.51(a) Amended</u>	<u>Feb. '69</u>	<u>Jan. '69</u>	<u>Feb. '68</u>
Basic Formula	\$4.33	\$4.33	\$4.05
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.30	0.44	0.20
Class I Price, 3.5% Butterfat	\$6.58	\$6.72	\$6.20

FEBRUARY 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: November and December	
Supply: Lbs. Producer Milk (Nov. 26,562,608 and Dec. 22,314,209)	48,876,817
Demand: Lbs. Net Class I Milk (Nov. 27,766,494 and Dec. 20,385,922)	48,152,416
Utilization Percentage: Producer milk divided by Class I	102
Standard Utilization Percentage: Range 117-121	117
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 15
Supply-Demand Adjustment: 2 cents x 15 percentage points	Plus \$0.30

COMPUTATION OF PRODUCER UNIFORM PRICE

JANUARY 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		25,162,119	3.443		
Less Other Source		7,255,749	3.342		
Producer Milk Class I	78.7	17,906,370	3.484012	\$6.706890	\$1,200,960.54
Gross Class II		7,472,510	5.881		
Less Other Source		2,620,834	4.490		
Producer Milk Class II	21.3	4,851,676	6.632121	6.650412	322,656.44
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	22,758,046	4.155141		\$1,523,616.98
Less Fractional Adjustment					.13
Add Value of Overage					1,821.28
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		288,208			12,691.74
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					4,411.31
TOTAL VALUE AT TEST		23,046,254	4.111623	\$6.693240	\$1,542,541.18
Less Test over 3.5% @ 8.0¢ per point		23,046,254	0.611623	.489298	112,764.86
TOTAL UTILIZATION VALUE AT 3.5%		23,046,254	3.5	\$6.203942	\$1,429,776.32
Less Producer-Settlement Fund Reserve		23,046,254		.043942	10,126.98
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		23,046,254	3.5	\$6.16	\$1,419,649.34

JANUARY 1969 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS

BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.76	3.6	\$6.24	4.2	\$6.72	4.8	\$7.20	5.4	\$7.68
3.05	5.80	3.65	6.28	4.25	6.76	4.85	7.24	5.45	7.72
3.1	5.84	3.7	6.32	4.3	6.80	4.9	7.28	5.5	7.76
3.15	5.88	3.75	6.36	4.35	6.84	4.95	7.32	5.55	7.80
3.2	5.92	3.8	6.40	4.4	6.88	5.0	7.36	5.6	7.84
3.25	5.96	3.85	6.44	4.45	6.92	5.05	7.40	5.65	7.88
3.3	6.00	3.9	6.48	4.5	6.96	5.1	7.44	5.7	7.92
3.35	6.04	3.95	6.52	4.55	7.00	5.15	7.48	5.75	7.96
3.4	6.08	4.0	6.56	4.6	7.04	5.2	7.52	5.8	8.00
3.45	6.12	4.05	6.60	4.65	7.08	5.25	7.56	5.85	8.04
3.5	6.16	4.1	6.64	4.7	7.12	5.3	7.60	5.9	8.08
3.55	6.20	4.15	6.68	4.75	7.16	5.35	7.64	5.95	8.12

PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA - JANUARY 1969

POOL PLANTS

Happy Valley Farms, Inc.
 Mayfield Dairy Farms, Inc.
 Ray Moss Farms, Inc.
 Nance Dairy, Inc.
 Sealtest Foods
 Tenn. Valley Milk Producers, Inc.

PLANT LOCATION

Rossville, Georgia
 Athens, Tennessee
 Chattanooga, Tennessee
 Ringgold, Georgia
 Chattanooga, Tennessee
 Chattanooga, Tennessee

PARTIALLY REGULATED PLANTS

Coble Dairy Products, Inc.
 Dairyland Farms -
 Dempsey Bros. Dairy, Inc.
 Superbrand Dairy Products, Inc.
 Tro-Fe Dairy Company

Anderson, South Carolina
 Opelika, Alabama
 Rome, Georgia
 Greenville, South Carolina
 Gadsden, Alabama

In addition to the above list, seven plants, fully regulated by other Federal Orders, distributed milk in the Chattanooga Order area. (See Page 6)

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan. '68	\$5.73	-	-	8.4¢	\$6.20	8.8¢	\$4.01	7.6¢
Feb.	5.77	-	-	8.4	6.20	8.6	4.00	7.6
Mar.	5.68 2/	\$5.81	\$3.98	8.2	6.20	8.6	4.02	7.6
Apr.	5.67 2/	5.89	4.14	8.2	6.28	8.6	4.18	7.6
May	5.90 2/	6.14	4.15	8.2	6.56	8.6	4.19	7.6
June	5.79 2/	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 2/	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	-	-	-	-	6.58	8.0	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 ⁰ Butter	Minn/Wisc Mfg. Milk	Chi.Area Powder	Basic Formula 4/	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Jan. '68	66.44	4.01	19.42	4.05	476,833	3.58	111,321	6.73
Feb.	66.44	4.00	19.46	4.05	486,051	3.55	102,520	6.64
Mar.	66.44	4.02	19.49	4.05	463,722	3.48	133,332	5.80
Apr.	66.44	4.18	21.96	4.33	474,081	3.44	179,918	4.95
May	66.44	4.19	22.62	4.33	467,606	3.45	171,375	4.85
June	66.44	4.18	22.54	4.33	432,917	3.40	167,462	4.93
July	66.43	4.18	22.77	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	4.20	22.90	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	4.23	22.91	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	4.28	22.95	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	4.27	22.75	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	4.30	22.73	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	4.27	22.95	4.33	577,625	3.48	156,506	6.63

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Jan. '68	9	729,565	562,990	546	588,154	-	4.18	1,077	-	-
Feb.	10	745,749	579,909	541	588,571	-	4.08	1,088	-	-
Mar.	11	763,766	556,510	539	597,054	553,510	3.99	1,108	1,027	81
Apr.	11	804,063	531,929	536	653,999	574,609	3.85	1,220	1,072	148
May	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

4/ Basic Formula "floor" per Order Amendments

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1968				December 1967			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	392,664	1.76	16	792	397,003	2.19	16	800
Bradley	3,116,404	13.97	100	1,005	2,974,462	16.41	106	905
Coffee	122,614	.55	3	1,318	107,370	.59	3	1,154
Cumberland	767,808	3.44	25	991	194,432	1.07	5	1,254
Fentress	393,144	1.76	14	906	-	-	-	-
Franklin ^{1/}	1,740,709	7.80	42	1,276	1,562,580	8.62	44	1,096
Grundy ^{1/}			2				2	
Hamilton	1,494,235	6.70	32	1,506	1,482,911	8.18	33	1,450
Loudon	420,075	1.88	10	1,355	413,601	2.28	11	1,213
Marion	330,539	1.48	15	711	301,570	1.66	15	649
McMinn	4,393,516	19.69	129	1,099	4,246,382	23.42	135	1,015
Meigs	992,204	4.44	27	1,185	804,465	4.44	28	927
Monroe	465,754	2.09	9	1,669	411,917	2.27	9	1,476
Overton	426,346	1.91	16	860	-	-	-	-
Polk	881,066	3.95	19	1,496	623,373	3.44	19	1,058
Putnam	392,525	1.76	17	745	-	-	-	-
Rhea	566,146	2.54	23	794	478,157	2.64	21	734
Sequatchie	604,855	2.71	14	1,394	524,173	2.89	14	1,208
White	514,120	2.30	17	976	-	-	-	-
Others ^{2/}	195,638	.88	3	2,104	-	-	-	-
Total	18,210,362	81.61	533	1,102	14,522,396	80.10	461	1,016
<u>GEORGIA</u>								
Catoosa	1,494,801	6.70	27	1,786	1,006,471	5.55	22	1,476
Fannin ^{3/}	-	-	-	-	108,365	.60	4	874
Gilmer	174,026	.78	6	936	121,368	.67	5	783
Murray	177,880	.80	3	1,913	187,648	1.03	3	2,018
Walker	808,198	3.62	23	1,133	877,501	4.84	23	1,231
Whitfield	868,401	3.89	21	1,334	933,303	5.15	23	1,309
Others ^{3/}	239,109	1.07	5	1,543	168,723	.93	3	1,814
Total	3,762,415	16.86	85	1,428	3,403,379	18.77	83	1,323
<u>ALABAMA</u>								
Cherokee			4				2	
DeKalb			1				1	
Jackson			1				1	
Total ^{4/}	341,432	1.53	6	1,836	204,306	1.13	4	1,648
TOTAL MARKET	22,314,209	100.00	624	1,154	18,130,081	100.00	548	1,067

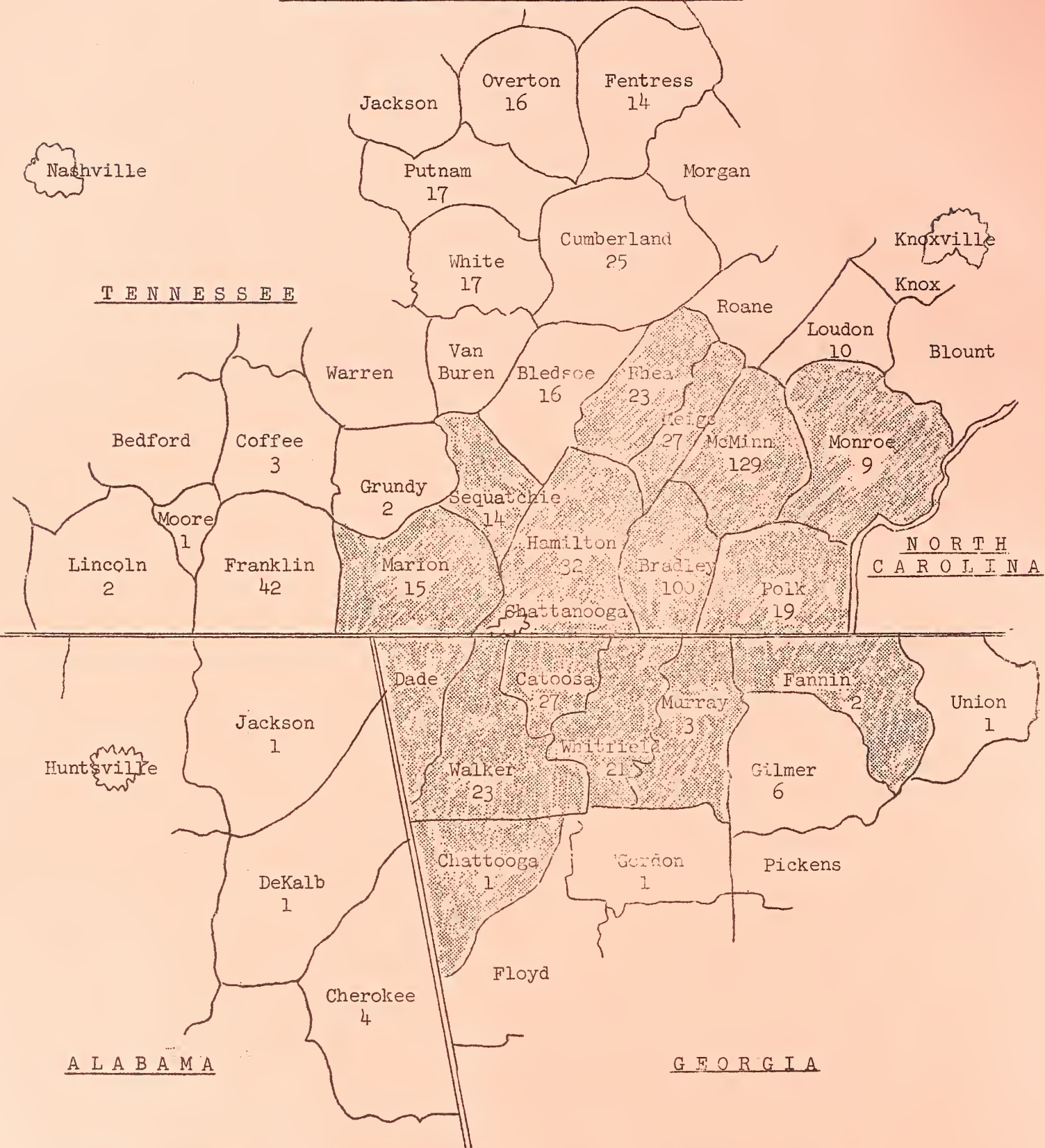
^{1/} Two producers in Grundy County included with Franklin County.

^{2/} Includes (1) producer in Moore and (2) in Lincoln Counties - 1968

^{3/} Includes one producer in each Chattooga, Gordon, and Union Counties - 1967
Includes one producer in each Chattooga, Gordon, and Union Counties and two
in Fannin County. - 1968

^{4/} Alabama totals shown since information is restricted by counties.

CHATTANOOGA AREA MILKSHED - DECEMBER 1968



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, Marion, McMinn, Meigs, Monroe, Polk, Rhea and Sequatchie Counties in Tennessee and Catoosa, Chattooga, Dade, Fannin, Murray, Walker and Whitfield Counties in Georgia.